

ITEM P1b  
DATE 12-12-05  
STUDY SESSION

## PINAL COUNTY LAND RELEASE PROGRAM

### GOALS

The City Council would like to release a sufficient amount of the land held by the City in Pinal County to generate revenues sufficient to achieve the following goals:

- Retirement of the remaining debt on the property.
- Contribute to the retirement of the City's existing General Obligation Bonds
- Generation of approximately \$234 million in total revenue by June 30, 2018.
- Generation of approximately \$22 million in revenue annually.

### STEPS

The following steps are recommended to achieve these goals:

- Identification of the properties to be released in the near term based on their size, location and marketability. Properties in Areas One and Two on the attached map are likely to generate the greatest near term interest.
- Selection outside professional staff (real estate brokers, lawyers, appraisers, surveyors, etc.) to assist staff.
- Coordinate with others to become knowledgeable on recent land sales, current land prices, proposed developments, infrastructure issues, current planning and zoning cases, project coordination opportunities and other land development related issues.
- Development of probable land use scenarios for the properties to be released, working with Coolidge, Eloy, Pinal County and the development community.
- Meet with the development community to discuss land release alternatives, other than conventional land sales, which might generate a greater return for the City and incorporate these into our development scenarios as appropriate.
- Offer the initial properties for release through our real estate broker, using our scenarios to help determine a value for the property. Offers would be evaluated based on their sales price, sales terms and other factors - and the offer most advantageous to the City would be selected.
- Multiple property offerings would be undertaken to help ensure a sufficient number would complete the process on a regular basis, to generate the annual cash flow desired.

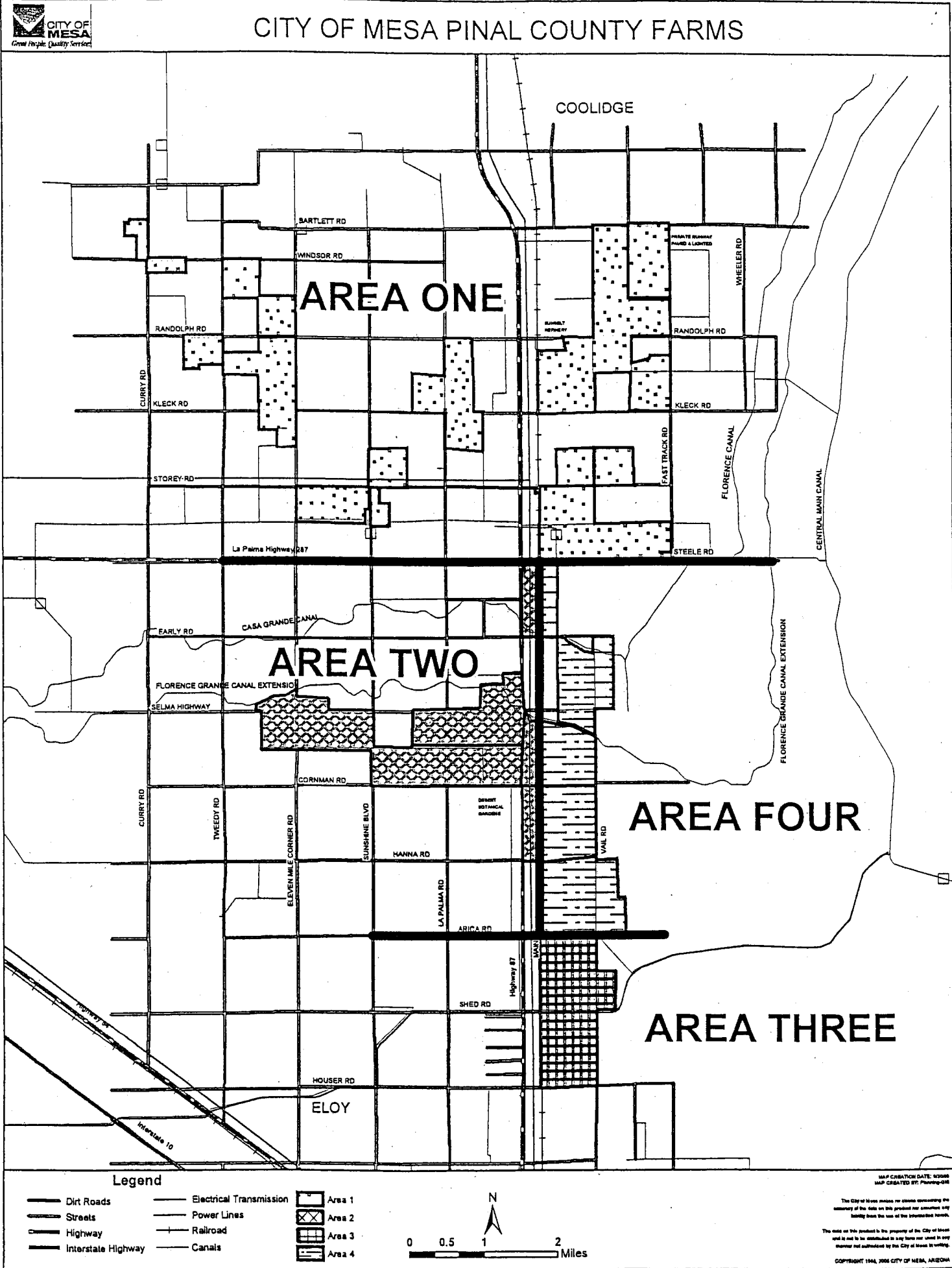
### RESOURCES

To undertake this project the following resources will be needed:

- Designation of an operating division to undertake the project
- Designation of city staff to develop and support the project. Given the nature of the program it is estimated three full time staff will be needed.
- Sufficient additional resources to retain the outside professionals and other services needed to complete the transactions on the properties to be released.

**NOTE:** It is proposed that proceeds from future land transactions will be used to provide the resources needed to staff and fund this program

Wayne Balmer/Doug Tessendorf - December 6, 2005





**COMMERCE**  
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## City of Mesa: Pinal County Land Release Program

### COMMERCE REALTY ADVISORS, LTD. BROKERAGE SERVICES

Commerce Realty Advisors' Team provides our clients with expert services briefly described below.

- We recommend a disposition strategy for the property, which includes determining sales prices for the parcels based on current market conditions
- We develop a marketing strategy that targets the most logical, qualified, potential homebuilders and developers for the property
- We prepare a detailed Marketing Package for the project containing:
  - A project narrative
  - Aerial photographs
  - Project exhibits
  - Price and terms
  - Supply and demand analysis
- We prepare monthly reports on all activities for clients
- We assist the client in negotiating Purchase Agreements
- We monitor escrows until closed

## Disposition Schedule for Area 1

Disposition I – Location makes this property most desirable at this time. Property can be annexed into Coolidge very easily. The property is within the proposed sewer area, that is also creating a overall regional solution for Verona. Commerce Realty Advisors would anticipate a closing in 2006 on this property.

- 480 acres in service area
- 200 acres outside of service area

Disposition II – Location makes this property very desirable at this time. Property can be annexed into Coolidge very easily. Property is just south of Brighton Village and is within the proposed sewer area. Commerce Realty Advisors would anticipate a closing in 2007 on this property.

- 480 acres in service area
- 160 acres in service area, General Plan designation – Commercial

Disposition III - Property is adjacent to Gravity Sewer Service Area. This is a very positive selling point to Developers/Homebuilders. Buyer of this property would need to work with the City of Coolidge to include a majority of the property in the service area. Commerce Realty Advisors would anticipate a closing in 2008 on this property.

- 160 acres in service area
- 380 acres outside of service area

Disposition IV – Hold this property until the Val Vista Pump Station has been completed. Builders, Developers, and other land owners are currently working on this process.

Disposition V – Land use plan for Coolidge has designated this site for Industrial Land Use. To obtain maximum value, employment base would have to be in place. Val Vista pump is essential for services to this property.

Disposition VI – Land use plan for Coolidge has designated this site for Commercial Land Use. This property will achieve maximum value with a strong housing market in the area. Services to this property will be furnished by the Val Vista pump station.

Disposition VII & VIII – This site should be released within the next 4- 6 years. The increase number of houses in the Coolidge area and the Pulte/Anthem Community will create demand for land in the area. A new waste water treatment will have to be designed, funded, and constructed to service this area.

Disposition IX – This site would need to be looked at by Coolidge City and Staff to include in the proposed sewer boundary. This would be achieved with more success when the existing proposed boundary is operational. A new waste water treatment will have to be designed, funded, and constructed to service this area.

Disposition Schedule for Area 2-4 – These large parcels of property allow a developer or builder to create their own water and sewer solutions. City of Mesa should begin planning these areas in the near future to enable the water and sewer solutions to move along.

**CITY OF MESA PINAL COUNTY LAND RELEASE PROGRAM  
MARKETING PLAN OF ACTION**

- WEEK 1      Meeting with City Real Estate Staff
- A. Discuss Market Conditions
  - B. Assessment with staff to determine City's timeframe and cash needs to sell asset
    - 1) quick sale
    - 2) maximize value by allowing time for builder to obtain a final plat
    - 3) cash deal
    - 4) terms deal
- WEEK 2      Marketing Package Production and Builder List
- A. Prepare draft package with agreed upon terms from the city
  - B. City to review and approve draft package and builder list
  - C. Target marketing to selected developers/homebuilders
- WEEK 3-4    Builder Meetings and Package Distribution
- WEEK 5-7    Letter of Intent Stage
- A. Follow up with builders to get feedback
  - B. Possible creation of Joint Venture between Builders
  - C. Initiate letters of intent
  - D. Continuing dialogue with City Real Estate Staff with regard to letters of intent
- WEEK 8      Builder/Developer Selection Process with City Real Estate Staff
- A. Meet with City Real Estate Staff
  - B. Make recommendations for counter proposals to letters of intent
  - C. Select builder/developer to receive counter proposal
- WEEK 9-11   Negotiate with Builder/Developer and City to accommodate an Accepted Letter of Intent from a qualified buyer
- WEEK 12-18   Negotiate Purchase Agreements between Builder/Developer and City
- WEEK 19      Open Escrow